

DIVISION OF TRAVEL DEVELOPMENT

REVIEW OF LEAVITT/REEDER ERA IN TRAVEL DEVELOPMENT (Eleven Years of Public Service)

Presented to the Board of Travel Development
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A “Generation of Planners” Meets Reinventing Government

Governor Leavitt set the tone for his administration by placing an emphasis on long-term strategic planning. I embraced this admonition telling the Leavitt transition team that the development of a long-term strategic plan for the division would be my first and highest priority.

The Governor gave all of his appointees a copy of Reinventing Government by Osborne and Gaebler. Taking the hint, I worked to incorporate the principles of entrepreneurial government into the initial design process of the strategic plan. Some may see this as borrowing ideas and tactics from the private sector where they may not have the same applicability to the public purpose. In fact, French economist J.B. Say coined the term in 1800. “The entrepreneur,” Say wrote, “shifts economic resources out of an area of lower and into an area of higher productivity and greater yield.”

One key to the current application of the tourism strategic plan is its dynamic viability; supporting these shifts of economic resources. Examples in this tourism era include staff reorganization and job redesign, supplemental budget increases, and application of significant budget cuts.

Other principles of government reinvention that are embraced by the division’s strategic plan include *catalytic government*: steering rather than rowing; *enterprising government*: focused on earnings; *market oriented government*: leveraging change through the market; *mission-driven government*, *anticipatory government*; and finally, *doing more with less*.

Special mention is given to one other related principle: **government is assigned those tasks that are not easily accomplished elsewhere**; where a profit motive exists, the private sector will be the more efficient producer. This in part explains why it rests with the state, in this case the Division of Travel Development, to conduct the travel branding exercise which, if successful will generate marginal increases in travel demand. It also explains why the private destination attractions and local (county) destination marketing organizations

more appropriately conduct marketing activities for that specific destination or regional collection of destinations.

With these guidelines in place, parallel projects were undertaken in plan development and board/staff reorganization. Since the division had no previous plan to review and update, a blank slate approach would yield an important extra dividend of broad community participation and, perhaps, community buy-in. In pursuit of this dividend, an arduous round of sixteen community focus groups to collect plan input was conducted. These facilitated meetings were well attended statewide and the input was of the highest quality. In the analysis of this input, differences and similarities between communities were noted. Although the differences were not as acute as expected, the common threads were quite interesting. Worth noting among them were: the **need for infrastructure and destination product development**, the impression that the **state travel advertising messages seemed to favor other geographic regions** of the state and other activities not offered by this particular destination, and that the state was not doing enough to increase overall demand.

Next this preliminary analysis and the initial plan outline were reviewed by stakeholders in three, additional community meetings. The purpose of these meetings was to tell people what we heard, check to see if we got it right, share the analysis of the input, and get comments on the initial plan outline.

Concurrently, with the benefit of this community input, we **reorganized the board and staff**. The board statute was amended to require the governor to appoint board members specifically from the tourism industry and to clarify their role and authority. The legislature agreed with the administration proposal that the board be more reflective of the challenges and opportunities of the tourism businesses in Utah and that they advise the division on policy issues, long-term strategy, and issues with big-picture impacts. In other words, a policy board which advises on policy considerations.

Staff reorganization put the division programs into three working sections, each headed by a director-level executive. Programs were reconfigured to reflect plan execution priorities. New program functions such as research and planning and rural technical assistance were created without an increase in FTEs (see Doing More With Less). Role clarification was another by-product of this planning process. Given the decentralized tourism system in Utah, the principles of reinventing government, and the vast community input, the key roles for the division evolved. They are to be scanners, conveners, and facilitators. Implied is the notion that we should not be providers.

In 1993, a full-blown program audit conducted by the Legislative Auditor General prescribed that better attention be paid to warehousing, distribution and advertising management. We quickly achieved and maintained full compliance of all audit recommendations.

The first of several publishing partnerships were developed as a way to encourage more industry-wide and state-wide fulfillment information while reducing the division's need to maintain publications for all activity sets (see Doing More With Less). In addition to the existing arrangement with Ski Utah's Ski Planner, new publications were added for bicycle vacations, golf vacations, bed and breakfast facilities, a statewide accommodations guide, outdoor recreation, and Internet publishing. The flagship collateral piece, *The Utah Travel Guide* was put on a "use all copies" publishing schedule which eliminated any waste from obsolete issues. What evolved essentially was a two-year rotation schedule, effectively reducing costs by 50%.

Utah Travel in the National Arena

In 1995, I participated in the first White House Conference on Tourism. At a plenary session, I presented the case for the role of the market in public lands management and decision-making. After the conference, I was invited to a meeting with Secretary of Interior Bruce Babbitt and policy deputy John Garamendi. The outgrowth of these national developments was the formation of the Western States Tourism Policy Council (WSTPC), the board of which consists of the state travel directors of each of the thirteen western states. The tourism policy council has been instrumental in highlighting tourism issues relating to public lands, international access to the U.S., national recreation fee policy, satellite accounts for improved economic data collection, and transportation enhancements. The WSTPC has negotiated and signed memoranda of understanding with several federal bureaus and services under the umbrella of five cabinet departments. We have jointly convened several conferences beginning with the Tourism Public Lands Summit. Other topics have included foreign access, transportation, and gateway (to public lands) communities. One outcome of the Gateway Communities Conference is the introduction of legislation defining a gateway and identifying certain rights, privileges, and relationship between gateway communities and their neighboring public lands unit.

From a Utah perspective, national recreation user fees and the related status of gateway communities have significant implications for long-term tourism economic development and the increased potential for higher quality job growth in our rural tourism economy.

On a related issue, the division has been a long-time advocate of changing the PILT (payment in lieu of taxes) formula to reflect the growing recreational use of public lands and the declining royalty revenue from extractive uses.

Research and Economic Data: An Absence of Rhetoric and Boosterism

By now, the newly developed research and planning program was hitting on all cylinders. As called for in the long-range plan, the division produces the research series, a regular and ongoing set of research outputs describing the conditions of supply and demand in the tourism economic sector of the state. The research team conducts primary studies. Secondary research is selected, analyzed interpreted and distributed. Ad hoc studies are producing trend analysis and commentary on queries that had not been imagined before. The flagship research service is the annually produced State and County Economic Travel Indicator Profiles, which for the first time disaggregates the gross state travel economic data for 29 subsets. Beyond the travel division itself, users and beneficiaries of these research outputs include capital providers, developers, state and regional planners and local governments.

The division planning coordinator uses the changes relating to the research data to highlight for the program managers areas to review for possible adjustments in the strategic plan. This position is key; the plan must be adaptable to remain viable in a very dynamic environment. The coordinator also ties the strategic plan to a program manger's job redesign, the annual performance review process and the annual budget process.

Attack of the Antiquities Act

In September 1996, President Clinton surprised many Utahns by designating the Grand Staircase/Escalante Canyons National Monument. Actually, it should not have been a surprise for members of a state task force organized by Governor Leavitt and Secretary Babbitt two years earlier to produce an "outside the box" solution to the discord and wrangling between local officials and wilderness advocates. Task Force members included two Garfield County Commissioners, representatives of the federal land management agencies, an environmental activist, and state planning and economic development chiefs, myself included. We proposed a new federal designation using natural water drainage boundaries and an inclusion of the market in planning the management of the space. After months of deliberation and collaboration, the task force proposed the Canyons of the Escalante National Eco-Region with structure not unlike the national monument designation, which followed two years later.

100 Years of Statehood

The State Centennial, in 1996, provided excellent opportunities to create extra reasons to visit Utah and join in the celebration. With the product development portion of the plan in hand, division managers worked closely with Statehood Centennial planners to create a new attraction at This the Place State Park.

Since friends and family remain the primary influence of a travel destination decision, we developed a friends and family referral program which encouraged Utah residents to play a role in inviting their out-of-state friends and relatives to visit during the centennial year.

One of the most successful promotions was the Centennial Passport where residents and visitors alike were challenged to visit attractions in all 29 counties where they would receive a unique stamp on their official Travel Council Centennial Passport. A prize of 29 unique and diverse experiences as well as a commemorative poster and certificate from Council Hall rewarded those who successfully accomplished this challenge. Over seventeen thousand people participated in the Centennial Passport program.

Pre-Olympics Planning

Even before the IOC announced in Budapest that Salt Lake City had been chosen to host the XIX Winter Olympiad, tourism development and its related economic boost was a significant part of the games purpose from a state perspective.

As a tactical complement to the long-range tourism development plan, we drew a blueprint for capitalization on the winter games for the Utah brand. The plan had five components: destination capital attraction, media development, hospitality training, brand association, and visitor services. Program adjustments were made to accommodate and prioritize those actions and tasks that would lend to successful plan execution. During this planning phase, provisions were made for legacy facilities, which could serve as longer-term destination attractions. Partnerships were renewed with the Utah Sports Authority and Wasatch State Park in this regard.

Let the Games Begin

After years of planning, subjecting early visions to reality tests, budget constraints, and media distractions, games organizers demonstrated the importance of strategic prioritizing and focus to produce the best winter Olympics ever. The tourism economic development tactical plan, in final execution, went through a similar strategic honing process on a smaller scale.

While credible results were achieved in hospitality training, visitor services and capital attraction, by games time, focus and concentrated effort was placed on media development. By shift existing resources to strengthen our media staff and adding the assistance of a global public relations contractor, we managed to facilitate a record number of stories about Utah destination opportunities in association with the pending major event. By hosting the Utah non-accredited

media center, we provided valuable services, to both the accredited and non-accredited media as well as Olympic organizers, athletes, and sponsors. The center also provided a platform to showcase local, national and international leaders as well as Utah destination product.

Additional appropriations for an Olympics branding campaign allowed a rare opportunity to position the Utah! brand in the high-impact, visual medium of television. It also created a unique opportunity to test the results of the television spots for impact, memory, comparisons with the competition, and the ability of the ads to influence a destination decision. Without exaggeration, the results were spectacular! A DVD called the Olympics Advertising Scrapbook was presented to the board as a games memento.

Despite the increased supplemental appropriation, the lesson here is that you can have the most meaningful message, conveyed by highly entertaining and effective creative production, with proven memorable impact among consumers, with challenging results. The challenge is being able to purchase the reach and frequency necessary to drive demand and gain market share against the competition.

One way to tackle this challenge is to leverage scarce resources in co-branding arrangements with companies whose message may be complementary with that of the Utah travel message. Tests of this technique demonstrate real potential for future consideration. Working with other winter games sponsors proved problematic due to strict rights interpretation by organizers, and matching public sector organizations with private companies presents some interesting challenges, yet co-branding remains an effective leverage tool.

The 1,000-Day Tourism Tactical Plan

The successful 2002 Olympic Winter Games gave a tremendous confidence boost to Utahns who demonstrated tremendous operations and hospitality skills to a worldwide audience. Now the real work begins to tie this upgraded awareness to consumer destination travel planning and maximizing the economic returns on years of tangible and intangible investment. According to Wirthlin Worldwide, a national survey firm, the winter games broadcasts produced a new set of 7.1 million travel consumers in the domestic U.S. who otherwise hadn't considered Utah prior to the broadcast. A tactical plan was developed to take advantage of this opportunity. It has four objectives: 1) to capitalize on the increased awareness bonus of the winter games; 2) to build a branding bridge between passive awareness and active need to travel for discovery and recovery values; 3) to add significant reinforcement to the "quality of life" argument for the business relocation effort; 4) to increase the velocity of the state's economic recovery.

The Tourism 1,000-day Plan has four elements: qualitative and quantitative research, paid media, earned media, and travel trade missions. The Utah Legislature embraced the plan. The four projects were funded with over \$3 million in supplemental appropriations.

Two rounds of focus groups have helped us understand how consumers interpreted the games, how long the Olympic window-of-opportunity would last, and the depth and strength of associations between the successful games and the Utah! brand. This information helps inform the next generation of advertising messages and their creative application.

A comprehensive branding campaign using television, print, and Internet media was launched to an award winning response. Testing this campaign became the task of a new round of quantitative research, which for the first time closed the circle of advertising effective inquiry. With additional research resources, we have been able to measure awareness, competitive comparison, desire to visit Utah, and finally, the role the advertising played in influencing the actual trip to Utah. With this final piece, a credible ROI can be determined. Using the most conservative approach, that of the degree to which the ad influenced the trip, we can say that the return on tax (to the state general fund) is 8.64:1.

The division outlined a series of trade missions designed to capitalize on the huge worldwide viewing audience's increased awareness of Salt Lake City and Utah. The format was purposefully small and geared to executives of the top producing outbound tour operators and media in western European markets. The goals of the series was to re-cement relationships with these key operators in the wake of global distress for tourism in general, and to produce an increase of Utah product in their offer to clients. Specialized missions were also conducted to Athens, Turin, and Beijing.

During these three gubernatorial terms, I have served with three board chairs: Truman Clawson, Kirk Green, and Randy Harmsen. Along with these men, several dozen dedicated board members have volunteered countless hours and, more importantly, have contributed concentrated thought and creativity in the service of the state. They have also brought a vast experience to bear in consideration of a set of complex challenges. It has truly been an honor and a privilege to participate with this dedicated group.